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GAIN Report

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POLICY

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India

Post: New Delhi

Cotton Exports through Wagah Border

Report Categories:

Cotton and Products

Agriculture in the News

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Report Highlights:

On January 3, 2013, India's Ministry of Commerce and Industry issued a policy circular modifying export requirements for cotton exports to Pakistan that are shipped via the Wagah-Atari border crossing.

General Information:

On January 3, 2013, India's Ministry of Commerce and Industry issued a policy circular modifying procedures for cotton exports sent via the land route through the Wagah-Atari border to Pakistan for the 2012/13 marketing year.

According to the current export policy (see [IN2159](#)), exporters must export 50 percent (15,000 170 kg bales/11,700 480 lb bales/2,550 metric tons) of a registration before they can register an additional 30,000 170 kg bales (23,400 480 lb bales/5,100 metric tons). Once the exporters have registered the quantity of cotton to be exported, they are required to ship the declared quantity within 30 days.

According to the circular, Indian exporters are facing delays at the Wagah land customs port due to congestion and are not able to deliver cotton within the specified time period. In order to ease congestion at land border with Pakistan, the Ministry of Commerce and Industry has provided Indian exporters the following options:

- Indian exporters have the option to seek a onetime maximum 30 day extension based on the validity of the registration certificate (RC) to complete any outstanding commitments due to delays.
- Exporters who have valid RCs to export to Pakistan can surrender any unutilized or partially utilized RC to the regional authorities within the validity period of the respective RC without incurring any penalties.

Comments: India's cotton exports to Pakistan increased from an estimated 100,000 170 kg bales (17,000 mt/78,000 480 lb bales) in December to 150,000 170 kg bales (25,000 mt/110,000 480 lb bales) in January. The modified export policy is expected to facilitate exports to Pakistan.

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not be viewed under any circumstance, as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests.

Details of Notification:

- **Type of Regulation:** Notification
- **Public Notice Date:** January 3, 2013
- **Proposed Date of Adoption:** Effective January 3, 2013

Notification Text as published: The full text of this notification can be accessed on the Directorate of Foreign Trade, Ministry of Commerce and Industry ([Policy Circular No. 12 \(RE-2012\)/2009-14](#)) website.

Products Affected: Cotton and cotton based products

Agency in Charge: Department of Commerce, Ministry of Commerce & Industry and Ministry of Textiles, Government of India

A list of documents related to this latest announcement follows:

[Policy Circular No. 12 \(RE-2012\)/2009-14](#)

January 3, 2013